Survey of sick industrial units

*195. DR. MOHD. HASHIM KIDWAI: Will the Minister of INDUSTRY be pleased to state:

(a) whether any survey has been conducted of the industries lying sick at present both in the public sector and the private sector;

(b) if so, what are the details of such a survey; and

(c) whether any plan has been drawn up for revival of these industries and if so, what are the details thereof?

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO) . (a) and (b) The latest study report by the Reserve Bank of India to analyse the causes of industrial sickness was submitted to Govt. early this year. The Study covered 1200 non-SSI sick units falling in twelve broad industrial groups. The Study indicates that management deficiency is the major contributive cause for sickness. Apart from this, the other causes are market problems, project shortcomings, infrastructural problems, labour problems, obsolescence and financial problems.

(c) A statement giving the policy measures taken to prevent industrial sickness is attached.

Statement

For revival of sick industrial units, Government of India have got a uniform policy for the whole country. Some of the important aspects are as follows:

(i) The Government have enacted a comprehensive legislation namely "The Sick Industrial Companies (Special Provisions) Act, 1985". A quasi-judicial body designated as 'The Board for Industrial and Financial Reconstruction (BIFR)' has been set up under the Act to deal with the problems of sick industrial companies in an effective manner, which has become operational with effect from the 15th May, 1987.

(ii) The Reserve Bank of India have issued guidelines to the banks for strengthening the monitoring systems and for arresting industrial sickness at the incipient stage so that corrective measures are taken in time.

(iii) The banks have also been directed by the Reserve Bank of India to formulate rehabilitation packages for the revival of potentially viable units. The banks and financial institutions evolve rehabilitation packages for the revival of sick units.

(iv) Reserve Bank of India have also issued guidelines separately to the banks indicating parameters within which banks could grant reliefs and concessions for rehabilitation of potentially viable sick units without reference to RBI both in the large and small scale sectors.

(v) Government of India introduced a Margin Money Scheme with a view to supplementing the efforts of the State Governments in reducing the incidence of sickness in the small scale sector. Under the liberalised scheme the maximum amount of assistance per unit available to sick small scale units for rehabilitation has been increased from Rs. 20,000 to Rs. 50,000.

Soviet Assistance for Karnal refinery

*196. SHRI GURUDAS DAS GUPTA:

SHRI CHATURANAN MISHRA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) what is the latest position regarding the setting up of Karnal Oil Refinery;

(b) whether it is a fact that the Soviet Government have sent a revised offer of financial assistance and transfer of technology for the Refinery;

(c) whether they have requested the Indian Government to take an early decision thereon; and

(d) if so, what are the details thereof and what decision Government have taken on the basis of revised offer?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND